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CHIEFS OF STATION AND BASE

POSED	MARKED FOR INDEXING
X	NO INDEXING REQUIRED
	ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING
	ABSTRACT
	MICROFILM

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**Misappropriation and Misuse of Funds**

ACTION REQUIRED - REFERENCES

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1. I am disturbed by the number of cases involving misappropriation or other misuse of funds which have come to my attention, and by the lack of proper control of public funds which is apparent in many of them. It is clear to me that most of these unfortunate incidents could have been prevented or at least detected more quickly had supervisory personnel and approving officers been more alert to their responsibilities. A listing of some of these cases is attached for your personal information.

2. I would like to emphasize the responsibility which each of you, as a Chief of Station or Base, has for safeguarding funds and ensuring that they are used only for authorized purposes. The proper administration of funds is a function of command. It is a fundamental duty; one which must be considered seriously and performed carefully. You are responsible for assuring that adequate facilities are provided for the maximum safekeeping and control of funds; you are responsible for seeing that sufficient records are maintained at the station to provide all necessary information for proper accounting and reporting for funds; you are responsible for ensuring that expenditures, advances, claims, vouchers are not approved perfunctorily but only after you have fully considered them and satisfied yourself as to their necessity, propriety, truth and accuracy. You, and you alone, as Chief of Station or Base, are the approving officer for all financial documents, and all transactions involving the advance or expenditure of funds. Although you may, if necessary, in your discretion designate personnel in a senior supervisory capacity to authorize individual disbursements, vouchers and accountings involving their specific functional areas of responsibility, your own responsibility is not thereby diminished. Authorizations by such designees are subject to your approval of the monthly accounting. Moreover, you should continually assure yourself that, in their authorization of transactions, any such designees are acting in a careful, conscientious manner on your behalf, and in full compliance with Organization regulations.

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By: ☐

CONFIDENTIAL

DATE TYPED

DATE DISPATCHED

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification

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CONTINUATION OF  
DISPATCHCLASSIFICATION  
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3. I enjoin you to display a constant curiosity and concern regarding the handling of funds. Our financial administration must be of the highest order, and we must not invite dishonesty by laxity in our control of funds. You must keep yourselves continually aware of your responsibilities as custodians of public funds, and be alert, objective, and conscientious in compliance with established procedures for their safeguarding. In so doing, you will prevent or keep to a minimum instances of misappropriation or misuse of funds. You will also be instrumental in preventing the harm which the individuals concerned do to themselves and their families since termination and perhaps imprisonment follow when dishonesty is detected.

4. In order that I may be alerted at the earliest practical date of misappropriation and misuse cases, please see that a cable report of any such case is furnished immediately. The cable report should not be held pending completion of your investigation necessary to a full report. Although you are responsible for furnishing a complete report, in some instances it may be necessary that representatives of the Inspector General (Inspection and Audit Staffs) make a detailed investigation at the station or base concerned.

5. I am sure I can expect your full cooperation in this matter.



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Attachment

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USE PREVIOUS EDITION.

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